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India's booming cake shops



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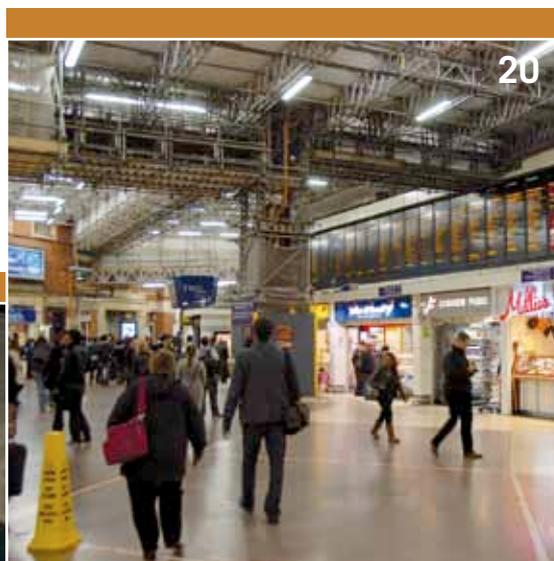
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Louis Le Duff, Founder and Owner of France's Groupe Le Duff, has grown his global foodservice and bakery empire – annual sales nearly ₹.2 bn – with the help of two key strategies: he maintains an intense, expert focus on the traditions and technology of dough, and he applies vertical integration “from fork to fork” (pitchfork to table fork) with his café and restaurant chains operating in tandem with bread and pastry manufacturing. Ever-wider international distribution is aided by franchising, the subject of a best-selling book by Mr. Le Duff.



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Cover Photo: L'OPÉRA, Khan Market, New Delhi



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What are the emerging and current trends in the F&B services industry of India? How will people eat, behave and be served in the coming years? This report, prepared by Pratiche Kapoor of Technopak, takes a look at some of the foreseeable trends that are soon going to become a part of the everyday life of restaurant-goers.

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In spite of the tremendous importance of the restaurant sector in the Indian economy, it still has not reached its true potential. The stumbling blocks responsible for this under-performance are intrinsic and hence can be addressed, but the others need government support.



The cakes and pastries industry in India is expanding fast even as new players enter the segment every month. Though the category is still small by global standards, many local players have created success stories of their own, driven by the growing demand in the market. They are optimistic about the future, but for the cake industry to grow to its full potential, there are certain challenges that need to be overcome, such as the low margins, high rentals, lack of trained manpower, and the short shelf-life of products

By **Varun Jain**

Sweet Spot

Cakes and pastries have always held a sweet appeal for foodies across the world and the Indian market for this segment has turned out to be an extremely dynamic one – evolving fast and expanding faster. From traditional local cake shops on street corners to large, free-standing gourmet outlets and hotel bakery shops, the patisserie business is booming, especially in the metros and business-oriented cities dominated by the expat community and corporate customers.

According to Qusai Khorakiwala, the Director of Monginis Foods which runs over 600 cake shops across India, the cake and pastry industry is currently flourishing, driven by the huge market size, though exact figures are hard to come by. “The segment is growing at a rapid pace in terms of turnover and the number of players,” he says. “In fact, it has shown a consistent growth of more than 20 percent over the last five years. Initially, there was not much competition in this space, but many new players have now arrived on the scene. It is therefore expected that the industry will maintain the same momentum in future.”

Animesh Barat, F&B Director with the Marriott at Jaipur, agrees that the cake and pastry retailing business offers a lucrative proposition. He reckons the industry to be growing at 15–18 percent y-o-y in terms of revenue and even more in certain metros.

The cake and pastry segment has shown a consistent growth of more than 20 percent over the last five years



The margins are small in this industry considering the high cost of the ingredients

“The business is bound to grow manifold over the years, its annual growth increasing to 25–30 percent in the near future. Emerging cities have gained more traction for investors,” he says.

Compared to the mature Western markets, the Indian cake and pastry market is still miniscule but growing rapidly. Back in 2008, the size of the Indian bakery industry was worth around ₹ 900 crore. It is currently valued at ₹ 4,303 crore – nearly a five-fold jump. “With the industry growing so rapidly, it is only a question of time that it catches up with the rest of the world. I would give it under a decade to be on par with or ahead of international markets and standards,” says Captain Daljeet Chopra, a supplier of cakes and pastries to many mainstream bakeries who has recently turned retailer by founding the Feast India Company in Delhi. The market however still remains largely unorganised. Chopra estimates that there are around 85,000 bakery units in India currently, out of which about 75,000 operate in the unorganised sector, occupying a 65 percent market share.

Rising Demand

The demand for cakes and pastries is growing but it does not make sense for most food outlets, restaurants and hotels to set up a separate bakery for themselves as it would not be economically viable. Most of them therefore depend on professional setups for sourcing products. “Today, the number of players in this market is small, compared to the rising demand. There are professional bakery setups but their growth is being hampered by the lack of technical expertise, huge expenses for setting up the bakery and the short shelf life of products,” says Barat of Marriott. He estimates the number of cake and pastry shops in India to range from 5,000 to 8,000, considering all types of outlets including the unbranded ones. “This number is not enough to meet the current demand of cake products in the country,” he adds. “There is a room for many more.”

There are many reasons why the demand for cake and pastries is growing northwards. Being a diverse country of many rich cultures, India perhaps celebrates more festivals and festive

Ten Famous Cake Shops in India

Brand Name	No. of Outlets	Cities Present in
Monginis	650+	Pan India
Nirula's	85+	North and West India
Birdy's	60+	Mumbai and Delhi
The French Loaf	35+	Bangalore, Chennai and Kolkata
Hot Breads	27	Chennai
Breads and More	17	Delhi/NCR, Mumbai and Goa
Slice of Italy	16	Delhi/NCR
Flurys	13	Kolkata and Durgapur
Chokola	10	Delhi/NCR and Mumbai
L'Opera	6	Delhi/NCR

occasions than most other nations, each of which calls for something sweet to be distributed among the guests. This demand from the households sustains the industry throughout the year since there is no fixed season for birthdays and wedding anniversaries.

Barat of Marriott says the quality of cakes and pastries essentially decides the standard of F&B offerings at a large-size hotel like his. “The market has definitely matured from what it was a few years ago, but there is still huge scope for improvisation, improvement and experimentation,” he adds. “The margins are small in this industry considering the high cost of the ingredients and the price customers want to pay, so volume plays an important role in ensuring viability and profitability.”

With the rapid growth of the economy and the changing eating habits of the people, bakery products are fast becoming an item of mass consumption. Another growth driver of retail bakery chains is the increasing demand of convenient food at a reasonable price, especially with people hard-pressed for time. “Customers are increasingly becoming health-conscious and more aware of what a nutritious diet is. This is one of the reasons for the increasing popularity of the cake and pastry shops as cakes are seen as a healthy and



Bunty Mahajan, Owner, Deliciae Patisserie

DELICIAE PATISSERIE

First outlet opened in:
August 2004

Total number of outlets:
3

Name of cities present in:
Mumbai and Pune

Hottest selling item:
Death by Chocolate

Average square feet area of outlets:
500

Average ticket size at the stores:
₹ 350

Average footfalls per day:
200

Average sales per square feet:
₹ 1,000



Dough Doyen

By Bruce Whitehall

Louis Le Duff, founder and owner of France's Groupe Le Duff, has grown his global foodservice and bakery empire – annual sales nearly €1.2 bn – with the help of two key strategies: he maintains an intense, expert focus on the traditions and technology of dough. And he applies vertical integration 'from fork to fork' (pitchfork to table fork) with his café and restaurant chains operating in tandem with bread and pastry manufacturing. Ever-wider international distribution is aided by franchising, the subject of a best-selling book by Mr. Le Duff.

Groupe Le Duff

Established: 1976

Headquarters: Paris

Total group sales: €1.175 bn

No. of employees: 14,100

Main foodservice brands: Brioche Dorée; Bruegger's; La Madeleine; Del Arte

No. of restaurants/café-bakeries: 1,120

Manufacturing companies: Bridor (€280 m sales in 2011) with 4 factories and a sales presence in more than 50 countries on 4 continents; Ferme des Loges

www.bridordefrance.com

With leading foodservice brands in Europe and America, plus factories making bakery products and sous-vide meals, is Groupe Le Duff a relatively complex enterprise?

No. We are very focused. It's important not to confuse dispersal with diversification. While we have dispersed our activities throughout the world, we have not done that with a lot of different product genres. We have always been focused almost entirely on butter and flour, the key ingredients in dough, and have developed an organisation focused on those ingredients. Thanks to scale, we are able to achieve good quality at low price. And we get stronger every year. It's very much about vertical integration. We see ourselves as engineers in flour and in butter with our activities extending 'from fork to fork' (pitchfork to table fork). We own a farm and we stay very close to the harvesting process, both there and at other farms which supply us. We do not have a mill but we work very closely with the flour-makers, and we are major purchasers of Controlled Appellation of Origin (AOC in French) Charentes-Poitou butter. We buy it a year in advance so we can guarantee the prices we are going to pay, and we also have long-term contracts for the flour. That means that we control the quality and, more important still, we know the traceability from the farm to the consumer. That is something we are very strong on.

Do you ever look at opportunities in other foodservice sectors?

People see how we have succeeded in bakery-café and are constantly suggesting new markets we could try. We have to say 'no'. Sushi is a great dish but I would not open a chain of sushi outlets. That would not help me be the best in the bakery-café business. The same goes for restaurants serving steak, or fish, or hamburgers. They would take us away from what we do best. The elements of the product, their appeal and logistics are quite different. We have to stay focused.

“We give to the consumer what he wants, he is our boss.”
– Louis Le Duff

Blame it on Rio!

By Chef Edmilson G de Azevedo

Brazilian cuisine is a peculiar mix of cultures and cooking habits which are a result of the unique history of the country as a melting pot of people with diverse origins. Known for intense flavours, it varies from region to region, though pork, seafood, and poultry remain the main ingredients. Indian and Brazilian cuisines share certain similarities, yet each has its own character.



Brazilian cuisine is known for its intense and contrasting flavours. Although its main ingredients are meat, pork, seafood, and poultry, vegetarian people do not face any difficulty in finding dishes of their choice. A typical Brazilian meal has meat-made traditional dishes along with pizzas, pastas, salads, and the occasional Baiano specialty. Popular appetizers include sopas (soups) and savory pastries which are commonly served at *lanchonetes* (snack bars). Steel fork and knife are used for eating open sandwiches, chicken, beef, etc. Feijoada, the country's national dish, makes for a heavy meal since it includes beans, pork, ham hocks, pepperoni, beef ribs, bacon, onions, olive oil, garlic, and black pepper. It is usually served with rice.

Cultural Diversity and Influences

Brazil is divided into many regions – from the Amazon in the north to the plantations lying at its centre and the fertile grasslands of the south – with each having its own style of cuisine. The cuisine of the coastal states is influenced by the culture introduced by the African slaves. Northern Brazil – inhabited by American Indians and people of the Portuguese descent – has its own style of cooking. The cuisine of Southern Brazil, on the other hand, is influenced by Italian and German cultures as a large chunk of population in the area traces its origins to these countries. The people of the south really know how to make wines and grow leafy vegetables, which comprise the main ingredients of their dishes. Many famous dishes of Brazil are heavily influenced by the cuisines of American-Indians, Africans, and the Portuguese.



The Brazilian food revolves around three things: white rice, black beans, and flour



Main Ingredients

The Brazilian food revolves around three things: white rice, black beans, and flour. These are generally eaten with red meat, chicken, or fish. Other common ingredients include pork, steak, coconut milk, palm oil, cassava, toasted cassava crumbs, cheese, okra, squash, tomatoes, pine nuts, yams, acai, hog plum, peanuts, tapioca, and chourico (a spicy sausage).

In Southern Brazil, meat is used in most of the preparations. Barreado – a slow cooked meat stew – is commonly eaten. South-eastern Brazil is the home to some of the most popular Brazilian dishes such as the feijoada. The gastronomy of this region is characterised by using maize, rice, fish, beans, eggs, and tomatoes, among other ingredients.

People in Northern Brazil commonly use manioc (cassava), fish, and tropical fruits in cooking, while in the north-eastern areas, rice, tropical fruits, beans, and onions are the main ingredients. Beef, pork, rice, manioc, fish, and beans are popular in areas of Central Brazil.

Cooking Styles

Brazilian chefs have been doing fusion cooking for centuries. Local ingredients and Native American cooking methods are mixed with African techniques and traditional Portuguese recipes. The most common cooking style is churrasco, which was developed in South Brazil. In this, pieces of beef, chicken, pork, and fish are seasoned and barbecued on skewers over open fire pits. Once perfectly cooked, these are then carved by the knife-wielding passadors (waiters) at the customer's table. Meats and seafood are complimented with grilled seasonal vegetables along with the chef's selection of condiments.

Braising, stewing, frying, baking, and grilling are also common in Brazil. Snacks are commonly fried. Seafood is usually grilled or baked with potatoes.



Chef Edmilson G de Azevedo at work

POPULAR BRAZILIAN DISHES

Main Snacks

- **Acarajé:** A popular street food consisting of fried balls of shrimp, black-eyed peas and onions
- **Bolinhos de arroz:** Fried rice balls, similar to hush puppies
- **Coxinha:** Chicken croquettes made in the shape of drumsticks

Main Course

- **Barreado:** Meat traditionally made in a ceramic pan placed in a pit in the soil to boil with natural heat from the sun
- **Churrasco:** Known as the Brazilian barbecue. Chunks of beef are cooked on a metal skewer over hot coals
- **Feijoada:** The most famous and traditional of all Brazilian main courses, this is a thick black-bean stew with chunks of pork and other meats

Main Desserts

- **Brigadeiros:** Chocolate bonbon treats named for a famous brigadier general who loved chocolate
- **Pudim or churros:** Fried dough rolled in sugar, filled with caramel, chocolate or sweetened condensed milk
- **Quindim:** Small coconut flans

“Brazilian chefs have been doing fusion cooking for centuries. Local ingredients and Native American cooking methods are mixed with African techniques and traditional Portuguese recipes”

Hot Fusion

By Manu Mohindra

When East meets West on a plate, fusion of food happens. While fusion is not a new phenomenon, it has picked up momentum in the last decade as travel, trade, and ingredient availability have hit a new high. Fusion food definitely suits Indian tastes, but when is fusion food truly fusion and not just a strange-tasting gimmick?

Fusion food is a style of cooking that uses ingredients and techniques from around the world, especially one that combines Eastern and Western influences. It is a kind of fusion that gives the best of different cuisines and complements and enhances the taste of dishes. There are two different ways in which we follow fusion food in India: international dishes having Indian spices and Indian food with international sauces.

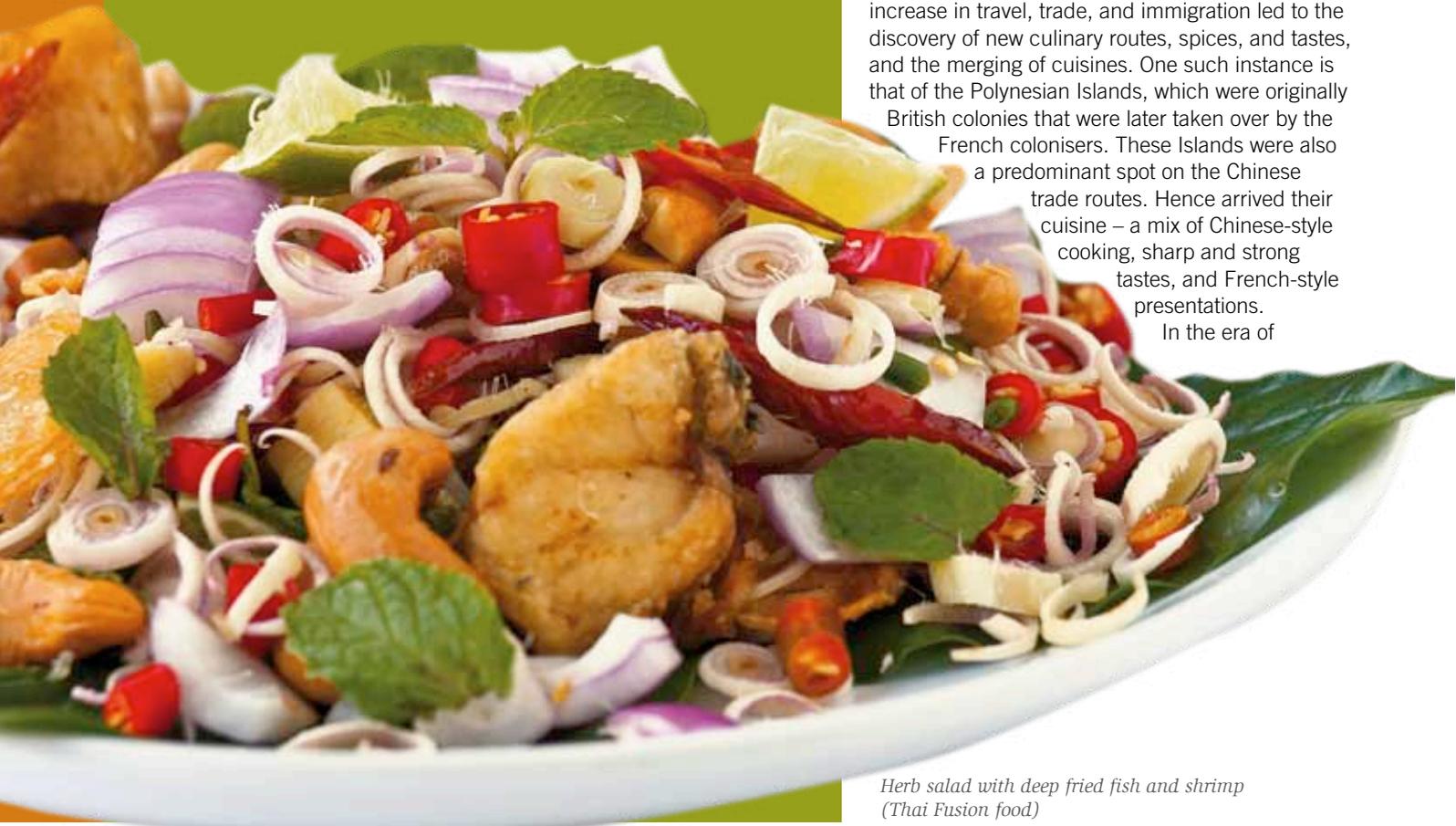
Chinese to Thai or Vietnamese to Singaporean, we evolve through Asia looking for our next favourite cuisine. Dhokla sandwiches, tandoori chicken gyros, chicken tikka nazza (take on pizzas), etc., form part of the Indian fusion cuisine with a twist. But the questions that are an integral part of the chef and culinary debates are: What defines fusion food? Is fusion the evolution of our demand and understanding of the cuisine, or is it simply going gimmicky and merging together any two flavours to produce a “fused” third? To arrive at the answer is a journey in itself.

Evolution of Cuisines

The food culture of the world has greatly evolved in the past 10,000 years, following domestication of plants and animals which greatly increased the food supply. The development of states and industries has contributed to changes in vegetation and soil, new fuels for cooking, emergence of new seeds, and the blending of soils, crops, and fertilisers. The increase in travel, trade, and immigration led to the discovery of new culinary routes, spices, and tastes, and the merging of cuisines. One such instance is that of the Polynesian Islands, which were originally

British colonies that were later taken over by the French colonisers. These Islands were also a predominant spot on the Chinese trade routes. Hence arrived their cuisine – a mix of Chinese-style cooking, sharp and strong tastes, and French-style presentations.

In the era of



*Herb salad with deep fried fish and shrimp
(Thai Fusion food)*



When chefs push the barriers of the evolution of cuisine, fusion happens.



colonisation, cultural identities remained stark but cuisine paved the way for interesting inspirations and fusions due to the mixing of food habits and sourcing of products from across the colonised territories and the home countries of the colonials. In this way came the French-Vietnamese style of cuisine after a century-long control by the French over Vietnam.

From a similar historical situation emerged the Anglo-Indian cuisine, a by-product of the British colonial influence in the region. Conversely, the English too have taken the “chicken tikka” back to England and gone ahead and “christened” it as their national dish! Today, from specialised dining to concept cafes, the Anglo-Indian cuisine has become another culinary genre with stratified accessibility. This culinary evolution and intermingling of food habits has led to a fusion of culinary styles and ingredients. So, is the produced food “fusion food”?

Playground of Chefs

When chefs push the barriers of the evolution of cuisine, fusion happens. With the world becoming a global village, access drives “fusion.” For instance, Norwegian Salmon was never available in India historically. But now that it is, we have seen the birth of Salmon Tikka. Basically, fusion occurs when ingredients traditionally not found in the cuisine culture of a region make their way into a dish. So now, instead of using Indian river Sole to make tandoori fish, it is salmon that has found its way into the tandoor and so “Salmon tandoori” now adorns your plate. The same is the case with New Zealand lamb chop kebabs.

Fusion is a tasteful, modern culinary art. The chef’s creativity and his ability to experiment with food, blend traditional and modern flavours, and create eclectic versions of old or brand-new dishes result in fusion food.

Contemporary Approach

Fusion also stands for a more contemporary approach to food which imbibes the ingredients and dishes of a particular region. However, experimenting with dishes and giving them a twist may not be a result of cultural intermingling but simply food populism. “Chinese bhel” possibly leads this category with “Korean tacos” close behind. While “chaat” is a hot favourite with one



generation and some communities, Chinese cuisine is considered younger and more Western- oriented, so the fusion of the two widens interest in the food and its scope.

This trend is also reflective of a high degree of Westernisation, a result of the exposure of our culture, cuisine, and preferences to the forces of globalisation. I am pointing towards the “chicken tikka” burgers and “nazzas” that may have started with the intent to be “fusion” but have now joined the evolution process of cuisine. The same is the case with what happens to the dhokla or the taco in Korea. Most international chains that may think global but act local are carrying out the process of culinary fusion.

At the mass market or lower level, it is an evolution that has happened in the natural course of time, pushed both by customer demand and natural market preferences. “Nouvelle cuisine” is a way of cooking and food presentation of French cuisines. But the phenomenon is not merely French. It has takers across the world, from contemporary Indian to even South East Asian, with alterations in cooking methods and styles and distinct additions to the final presentation.

Molecular gastronomy is another form of such fusion. Chefs take ingredients, deconstruct, and

“Fusion also stands for a more contemporary approach to food which imbibes the ingredients and dishes of a particular region. However, experimenting with dishes and giving them a twist may simply be a result of food populism”

Don't judge the book by its cover

An exotic sounding brand name. 'Designer' packaging. Claims of product development-based on German engineering and research excellence or the French tradition of luxury. These are the 'pillars' of marketing pitches for countless tea brands finding favour in some of the marquee hotels, besides shelves of gourmet retailers in cities around the world, India included. But, what of the quality of tea? Singularly questionable! And the consistency of the blend? As fickle as the changing seasons! Not surprising, if one cares to dig a little deeper. A majority of such companies are in business - despite not having their own packaging



facilities-getting their work done through different job lot production units - with little or no control over product quality, and scant regard for tea preservation or consistency over a period of time. Such companies take the marketing pitch by offering fancy POS material, either free or at a nominal cost; their only target is falsifying the product quality through their marketing network ... misguiding not only the customer ... but through them the consumer. Riding on the odd 'fluke' success, these companies do not have the fundamentals in place to stay the course. As a result, they fail, leaving every possible stakeholder in the lurch. The worst sufferers of this malaise is the HoReCa industry, whose supply chain gets completely disrupted necessitating the time-consuming and arduous procedure of getting a new supplier - with the desired credentials - on board.

As the only classified SUPER PREMIER International tea company in the world, Newby Teas considers it an obligation to draw attention to this rampant malaise. Newby's mission of producing the finest teas in the world is based singularly on getting its business fundamentals right. This translates to sourcing the finest teas from around the world and investing hugely in the packaging and preservation of teas in the most scientific

manner to ensure that the real character of tea ... for which the customer pays money ... is retained. Newby's unique preservation and packaging unit, a one-of-its-kind anywhere in the world, bears testimony to its commitment to produce and present only the best, cutting no corners whatsoever in the drive to make a fast buck. The growing list of Newby's customers in India can vouch for the matchless quality of Newby teas - month on month, year on year. In return, it is only fair, that Newby puts money where its mouth is in regard to its business processes and practices which shun falsification and gimmickry of any kind and which are best in class - liable to scrutiny by a competent authority anywhere in the world.

Visit us at www.newbyteasindia.com

Newby Teas is a British tea company with the commitment to produce only the best. Newby teas are now available in India at some of the finest hospitality properties and at select retail outlets in the metros.

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